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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

JOELYN ALE,

Plaintiff,

v.

THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY,

Defendant

Case No.: 3:22-cv-337

COMPLAINT FOR BREACH OF THE
EMPLOYEE RETIREMENT INCOME
SECURITY ACT OF 1974;
ENFORCEMENT AND
CLARIFICATION OF RIGHTS;
BREACH OF FIDUCIARY DUTIES
AND DEMAND FOR PREJUDGMENT
AND POST-JUDGMENT INTEREST
AND ATTORNEYS' FEES AND
COSTS

COMPLAINT

Now comes the Plaintiff, JOELYN ALE, by her attorneys, and DEBOFSKY SHERMAN CASCARI REYNOLDS P.C., (seeking admission *pro hac vice*) and complaining against the Defendant, THE LINCOLN NATIONAL LIFE INSURANCE COMPANY, she states:

Jurisdiction and Venue

1. Jurisdiction of the court is based upon the Employee Retirement Income Security Act of 1974 ("ERISA"); and in particular, 29 U.S.C. §§ 1132(e)(1) and 1132(f). Those provisions give the district court jurisdiction to hear civil actions brought to recover benefits due under the

1 terms of employee welfare benefit plans, which, in this case, consists of group long-term
2 disability (“LTD”) benefits.

3 2. This action may additionally be brought before this court pursuant to 28 U.S.C. § 1331,
4 which gives the district court jurisdiction over actions that arise under the laws of the United
5 States.

6 3. The ERISA statute provides, at 29 U.S.C. § 1133, a mechanism for administrative or
7 internal appeal of benefit denials. Those avenues of appeal have been exhausted.

8 4. Venue is proper in the Northern District of California pursuant to ERISA § 502(e)(2)
9 (29 U.S.C. § 1132(e)(2)) because the plan was issued in this District.

10 *The Parties*

11 5. The plaintiff, Joelyn Ale (“Ale” or “Plaintiff”), age 61 (born in 1960), is a resident of
12 Murrells Inlet, Georgetown County, South Carolina.

13 6. The defendant, The Lincoln National Life Insurance Company (“Lincoln National”),
14 is an Indiana corporation doing business throughout the United States and within the Northern
15 District of California, and it issued and delivered coverage to Plaintiff from the Northern District
16 of California.

17 *Nature of the Action*

18 7. This action is brought as a claim for benefits pursuant to ERISA § 502(a)(1)(B) (29
19 U.S.C. § 1132(a)(1)(B)). Ale seeks payment of LTD benefits due under an LTD group policy of
20 insurance: group policy number GD3-810-B72V5F-01 (“Policy”), underwritten and
21 administered by Lincoln National for the benefit of employees of Apple, Inc. (“Apple”) (a true
22 and accurate copy of the Policy provided to Plaintiff and represented as the governing plan
23 document is attached hereto as Exhibit “A”).

24 8. At all times relevant hereto, the LTD Policy constituted an “employee welfare benefit
25 plan” as defined by ERISA § 3(1) (29 U.S.C. § 1002(1)); and incident to her employment with
26 Apple, Ale received coverage under the LTD Policy as a “participant” as defined by ERISA §
27 3(7) (29 U.S.C. § 1002(7)).

9. Plaintiff also seeks attorneys' fees and costs pursuant to 29 U.S.C. § 1132(g) and ERISA § 502(g), as well as all other remedies this Court sees fit to award.

Relevant LTD Policy Provisions

10. The Policy provides monthly disability income benefits for participants that meet the following "Definition of Disability":

"Disability" or "Disabled" means:

- i. that during the Elimination Period and the next 12 months of Disability the Covered Person, as a result of Injury or Sickness, is unable to perform with reasonable continuity the Substantial and Material Acts necessary to pursue his Own Occupation in the usual and customary way; and
- ii. thereafter, the Covered Person is unable to perform, with reasonable continuity, the Substantial and Material Acts of any occupation, meaning that as a result of sickness or injury the Covered Person is not able to engage with reasonable continuity in any occupation in which he could reasonably be expected to perform satisfactorily in light of his age, education, training, experience, station in life, and physical and mental capacity.

Ex. A at 12.

11. The Policy further defines Substantial and Material Acts as follows:

"Substantial and Material Acts" means acts that are normally required for the performance of the Covered Person's Own Occupation and cannot be reasonably omitted or modified.

Ex. A at 15.

Statement of Facts

12. Immediately prior to ceasing work, Ale was successfully employed in New Jersey as a senior manager with Apple, a multinational technology company.

13. Ale suffers from several severe, disabling conditions, including but not limited to, osteoarthritis, bilateral bunion deformities, and pain in her lower back and left hip.

14. Ale became unable to work due to those impairments on April 17, 2019. She has not worked in any capacity since that date.

1 15. Upon exhaustion of the Policy’s 26-week waiting period, Ale timely applied for LTD
2 benefits. Lincoln National initially approved her claim and awarded LTD benefits in the amount
3 of \$6,485.63 per month beginning October 18, 2019.

4 16. At Defendant’s behest and with the assistance of counsel arranged by Defendant, Ale
5 concurrently submitted a claim for Social Security disability benefits. The Social Security
6 Administration (“SSA”) ultimately determined that Ale was disabled effective April 17, 2019,
7 thus signifying that her medical conditions resulted in her inability to engage in “any substantial
8 gainful activity.” 42 U.S.C. § 423(d)(1)(A) (definition of “disabled” under the Social Security
9 Act). Plaintiff started receiving Social Security disability benefits in August of 2021 and
10 continues to receive those benefits to this day.

11 17. Despite the overwhelming medical evidence supporting her ongoing disability, on
12 September 18, 2020, Lincoln National terminated Ale’s claim for ongoing LTD benefits
13 effective October 17, 2020. Lincoln National’s decision relies in large part on a transferable
14 skills analysis performed by Michelle Reddinger, M.A., C.R.C., one of its employee vocational
15 case managers.

16 18. On March 15, 2021, Ale, with the assistance of counsel, submitted an appeal of
17 Lincoln National’s termination of benefits. Included with her appeal submission were updated
18 treatment records and opinion evidence from her treating doctors and an independent vocational
19 evaluation, all of which demonstrated her ongoing entitlement to LTD benefits.

20 19. On July 9, 2021, Lincoln National upheld its termination of Ale’s LTD benefit claim
21 based on the opinion of a non-examining and unqualified review physician, Eric Kerstman, M.D.

22 20. Dr. Kerstman purported specializations in aerospace medicine, pain medicine, and
23 physical medicine and rehabilitation fail to meet the appropriate fiduciary standards required by
24 the Policy and federal law. *See* 29 C.F.R. § 2560.503-1(h)(3)(iii) (“ . . . the appropriate named
25 fiduciary shall consult with a health care professional who has appropriate training and
26 experience *in the field of medicine involved in the medical judgment.*” (emphasis added)).
27

1 E. That Plaintiff be awarded any and all other contractual and/or equitable relief to which
2 she may be entitled, as well as the costs of suit.

3
4 DATED: January 18, 2022

/s/ Michelle L. Roberts

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Attorneys for Plaintiff

EXHIBIT A

**NOTICE OF PROTECTION PROVIDED BY
CALIFORNIA LIFE AND HEALTH INSURANCE GUARANTEE ASSOCIATION**

This notice provides a brief summary regarding the protections provided to policyholders by the California Life and Health Insurance Guarantee Association ("the Association"). The purpose of the Association is to assure that policyholders will be protected, within certain limits, in the unlikely event that a member insurer of the Association becomes financially unable to meet its obligations. Insurance companies licensed in California to sell life insurance, health insurance, annuities and structured settlement annuities are members of the Association. The protection provided by the Association is not unlimited and is not a substitute for consumers' care in selecting insurers. This protection was created under California law, which determines who and what is covered and the amounts of coverage.

Below is a brief summary of the coverages, exclusions and limits provided by the Association. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations or the rights or obligations of the Association.

COVERAGE

- **Persons Covered**

Generally, an individual is covered by the Association if the insurer was a member of the Association *and* the individual lives in California at the time the insurer is determined by a court to be insolvent. Coverage is also provided to policy beneficiaries, payees or assignees, whether or not they live in California.

- **Amounts of Coverage**

The basic coverage protections provided by the Association are as follows.

- **Life Insurance, Annuities and Structured Settlement Annuities**

For life insurance policies, annuities and structured settlement annuities, the Association will provide the following:

- **Life Insurance**

80% of death benefits but not to exceed \$300,000

80% of cash surrender or withdrawal values but not to exceed \$100,000

- **Annuities and Structured Settlement Annuities**

80% of the present value of annuity benefits, including net cash withdrawal and net cash surrender values but not to exceed \$250,000

The maximum amount of protection provided by the Association to an individual, for *all* life insurance, annuities and structured settlement annuities is \$300,000, regardless of the number of policies or contracts covering the individual.

- **Health Insurance**

The maximum amount of protection provided by the Association to an individual, as of July 1, 2016, is \$546,741. This amount will increase or decrease based upon changes in the health care cost component of the consumer price index to the date on which an insurer becomes an insolvent insurer. Changes to this amount will be posted on the Association's website www.califega.org.

COVERAGE LIMITATIONS AND EXCLUSIONS FROM COVERAGE

The Association may not provide coverage for this policy. Coverage by the Association generally requires residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

The following policies and persons are among those that are excluded from Association coverage:

- A policy or contract issued by an insurer that was not authorized to do business in California when it issued the policy or contract
- A policy issued by a health care service plan (HMO), a hospital or medical service organization, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society
- If the person is provided coverage by the guaranty association of another state
- Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which do not guaranty annuity benefits to an individual
- Employer and association plans, to the extent they are self-funded or uninsured
- A policy or contract providing any health care benefits under Medicare Part C or Part D
- An annuity issued by an organization that is only licensed to issue charitable gift annuities
- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as certain investment elements of a variable life insurance policy or a variable annuity contract
- Any policy of reinsurance unless an assumption certificate was issued
- Interest rate yields (including implied yields) that exceed limits that are specified in Insurance Code Section 1607.02(b)(2)(C).

NOTICES

Insurance companies or their agents are required by law to give or send you this notice. Policyholders with additional questions should first contact their insurer or agent. To learn more about coverages provided by the Association, please visit the Association's website at www.califega.org, or contact either of the following:

California Life and Health Insurance
Guarantee Association
P.O. Box 16860
Beverly Hills, CA 90209-3319
(323) 782-0182

California Department of Insurance
Consumer Communications Bureau
300 South Spring Street
Los Angeles, CA 90013
(800) 927-4357

Insurance companies and agents are not allowed by California law to use the existence of the Association or its coverage to solicit, induce or encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and California law, then California law will control.



Liberty Life Assurance Company of Boston

GROUP DISABILITY INCOME POLICY

Sponsor: Apple Inc.

Policy Number: GD3-810-B72V5F-01

Effective Date: January 1, 2018

Governing Jurisdiction is California and subject to the laws of that State.

Premiums are due and payable monthly on the first day of each month.

Policy Anniversaries shall occur each January 1st beginning in 2019.

Liberty Life Assurance Company of Boston (hereinafter referred to as Liberty) agrees to pay benefits provided by this policy in accordance with its provisions. This policy provides Long Term Disability coverage.

PLEASE READ THIS POLICY CAREFULLY FOR FULL DETAILS.

This policy is a legal contract and is issued in consideration of the Application of the Sponsor, a copy of which is attached, and of the payment of premiums by the Sponsor.

For purposes of this policy, the Sponsor acts on its own behalf or as the Covered Person's agent. Under no circumstances will the Sponsor be deemed the agent of Liberty.

This policy is delivered in and governed by the laws of the governing jurisdiction and to the extent applicable by The Employee Retirement Income Security Act of 1974 (ERISA) and any subsequent amendments.

The following pages including any amendments, riders or endorsements are a part of this policy.

Signed at Liberty's Home Office, 175 Berkeley Street, Boston, Massachusetts, 02116

If discussions with Liberty, its agent or other representative, have failed to produce a satisfactory resolution to any problem, you may contact the California Insurance Department for assistance. Department of Consumer Services Division- 300 S. Spring Street, Los Angeles, CA 90013. Phone- 1-800-927-HELP.



SECRETARY



PRESIDENT

NON-PARTICIPATING

FORM ADOP

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SECTION 1 - SCHEDULE OF BENEFITS

ELIGIBILITY REQUIREMENTS FOR INSURANCE BENEFITS

Minimum Hourly Requirement:

Applicable to Non-Retail Employees:

Employees working a minimum of 20 regularly schedule hours per week

Applicable to Retail Employees:

Employees working a minimum of 30 regularly schedule hours per week

Long Term Disability Benefits:

- Class 1A: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn \$300,000 or less hired prior to January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn \$300,000 or less hired prior to January 1, 2018 - Core Plan
- Class 1B: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn \$300,000 or less hired prior to January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn \$300,000 or less hired prior to January 1, 2018 - Buy-Up Plan
- Class 2A: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn more than \$300,000 hired prior to January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn more than \$300,000 hired prior to January 1, 2018- Core Plan
- Class 2B: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn more than \$300,000 hired prior to January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn more than \$300,000 hired prior to January 1, 2018- Buy-up Plan
- Class 3A: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn \$300,000 or less hired on or after January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn \$300,000 or less hired on or after January 1, 2018 - Core Plan
- Class 3B: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn \$300,000 or less hired on or after January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn \$300,000 or less hired on or after January 1, 2018 - Buy-up Plan

Class 4A: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn more than \$300,000 hired on or after January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn more than \$300,000 hired on or after January 1, 2018 - Core Plan

Class 4B: All active regular full-time Employees paid from Apple Inc.'s or its designated affiliates' W-2 payroll, who do not work in a retail store and earn more than \$300,000 hired on or after January 1, 2018; and all active regular full-time Employees paid from Apple Inc.'s W-2 payroll, who work in a retail store and earn more than \$300,000 hired on or after January 1, 2018 - Buy-up Plan

Note: This policy does not cover the following Employees: Temporary and Seasonal Employees and Employees who are not legal residents working in the United States.

Eligibility Waiting Period:

1. If the Covered Person is employed by the Sponsor on the policy effective date -
None
2. If the Covered Person begins employment for the Sponsor after the policy effective date -
None

Employee Contributions Required:

Applicable to Class 1A, 2A, 3A, 4A

No

Applicable to Class 1B, 2B, 3B, 4B

Yes

SECTION 1 - SCHEDULE OF BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE

Elimination Period:

The greater of:

- a. the end of the Covered Person's Short Term Disability Benefits; or
- b. 26 weeks

Amount of Insurance:

Applicable to Class 1A, 3A:

50.00% of Basic Monthly Earnings not to exceed a Maximum Monthly Benefit of \$12,500.00 less Other Income Benefits and Other Income Earnings as outlined in Section 4.

Applicable to Class 1B, 3B:

70.00% of Basic Monthly Earnings not to exceed a Maximum Monthly Benefit of \$17,500.00 less Other Income Benefits and Other Income Earnings as outlined in Section 4.

Applicable to Class 2A, 4A:

50.00% of Basic Monthly Earnings not to exceed a Maximum Monthly Benefit of \$26,429.00 less Other Income Benefits and Other Income Earnings as outlined in Section 4.

Applicable to Class 2B, 4B:

70.00% of Basic Monthly Earnings not to exceed a Maximum Monthly Benefit of \$37,000.00 less Other Income Benefits and Other Income Earnings as outlined in Section 4.

Maximum Basic Monthly Earnings on which the Benefit is Based:

Applicable to Class 1A, 1B, 3A, 3B: \$25,000.00

Applicable to Class 2A, 4A: \$52,858.00

Applicable to Class 2B, 4B: \$52,857.14

Own Occupation Duration:

12 Month Own Occupation

SECTION 1 - SCHEDULE OF BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)**Minimum Monthly Benefit:**

The Minimum Monthly Benefit is \$50.00.

Maximum Benefit Period:

<u>Age at Disability</u>	<u>Maximum Benefit Period</u>
Less than age 60	To age 65 (but not less than 5 years)
60	60 months
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

SECTION 2 - DEFINITIONS

In this section Liberty defines some basic terms needed to understand this policy. The male pronoun whenever used in this policy includes the female.

"Active Employment" means the Employee must be actively at work for the Sponsor:

1. on a full-time basis and paid regular earnings;
2. for at least the minimum number of hours shown in the Schedule of Benefits; and either perform such work:
 - a. at the Sponsor's usual place of business; or
 - b. at a location to which the Sponsor's business requires the Employee to travel.

An Employee will be considered actively at work if he was actually at work on the day immediately preceding:

1. a weekend (except where one or both of these days are scheduled work days);
2. holidays (except when the holiday is a scheduled work day);
3. paid vacations;
4. any non-scheduled work day;
5. an excused leave of absence (except medical leave for the Covered Person's own disabling condition and lay-off); and
6. an emergency leave of absence (except emergency medical leave for the Covered Person's own disabling condition).

"Administrative Office" means Liberty Life Assurance Company of Boston, 9 Riverside Road, Weston, MA 02493.

"Annual Enrollment Period" or **"Enrollment Period"** means the period before each policy anniversary so designated by the Sponsor and Liberty during which an Employee may enroll for coverage under this policy.

SECTION 2 - DEFINITIONS

(Continued)

"**Application**" is the document designated in Section 9; it is attached to and is made a part of this policy.

"**Basic Monthly Earnings**" Applicable to Non-Commissioned Employees:

"Basic Monthly Earnings" means the Covered Person's monthly rate of earnings from the Sponsor in effect on the date of Disability or Partial Disability begins. Such earnings will not include bonuses, overtime pay, or any other extra compensation other than shift differential pay.

Applicable to Commissioned Employees:

"Basic Monthly Earnings" means the Covered Person's monthly rate of earnings plus On-Target Variable Earnings if applicable, in effect on the date of Disability or Partial Disability begins. Such earnings will not include bonuses, overtime pay, or other extra compensation.

"**Covered Person**" means an Employee insured under this policy.

SECTION 2 - DEFINITIONS

(Continued)

"Disability" or "Disabled" means:

- i. that during the Elimination Period and the next 12 months of Disability the Covered Person, as a result of Injury or Sickness, is unable to perform with reasonable continuity the Substantial and Material Acts necessary to pursue his Own Occupation in the usual and customary way; and
- ii. thereafter, the Covered Person is unable to perform, with reasonable continuity, the Substantial and Material Acts of any occupation, meaning that as a result of sickness or injury the Covered Person is not able to engage with reasonable continuity in any occupation in which he could reasonably be expected to perform satisfactorily in light of his age, education, training, experience, station in life, and physical and mental capacity.

SECTION 2 - DEFINITIONS

(Continued)

"Domestic Partner" means an adult who has chosen to share their life in an intimate and committed relationship of mutual caring. A domestic partnership shall be established in California when both persons file a Declaration of Domestic Partnership with the Secretary of State pursuant to this division, and, at the time of filing, all of the following requirements are met:

1. Neither person is married to someone else or is a member of another domestic partnership with someone else that has not been terminated, dissolved, or adjudged a nullity.
2. The two persons are not related by blood in a way that would prevent them from being married to each other in this state.
3. Both persons are at least 18 years of age.
4. Either of the following:
 - a. Both persons are members of the same sex.
 - b. One or both of the persons meet the eligibility criteria under Title II of the Social Security Act as defined in Section 402(a) of Title 42 of the United States Code for old-age insurance benefits or Title XVI of the Social Security Act as defined in Section 1381 of Title 42 of the United States Code for aged individuals. Notwithstanding any other provision of this section, persons of opposite sexes may not constitute a domestic partnership unless one or both of the persons are over 62 years of age.
 - c. Both persons are capable of consenting to the domestic partnership.

"Eligibility Date" means the date an Employee becomes eligible for insurance under this policy. Eligibility Requirements are shown in the Schedule of Benefits.

"Eligible Survivor" means the Covered Person's spouse or Domestic Partner, if living, otherwise the Covered Person's children under age 25.

"Eligibility Waiting Period" means the continuous length of time an Employee must be in Active Employment in an eligible class to reach his Eligibility Date.

"Elimination Period" means a period of consecutive days of Disability or Partial Disability for which no benefit is payable. The Elimination Period is shown in the Schedule of Benefits and begins on the first day of Disability.

If the Covered Person returns to work for any sixty or fewer days during the Elimination Period and cannot continue, Liberty will count only those days the Covered Person is Disabled or Partially Disabled to satisfy the Elimination Period.

"Employee" means a person in Active Employment with the Sponsor.

SECTION 2 - DEFINITIONS

(Continued)

"Enrollment Form" is the document completed by the Covered Person, if required, when enrolling for coverage. This form must be satisfactory to Liberty.

"Evidence of Insurability" means a statement of proof of an Employee's medical history upon which acceptance for insurance will be determined by Liberty.

"Extended Treatment Plan" means continued care that is consistent with the American Psychiatric Association's standard principles of Treatment, and is in lieu of confinement in a Hospital or Institution. It must be approved in writing by a Physician.

"Family and Medical Leave" means a leave of absence for the birth, adoption or foster care of a child, or for the care of the Covered Person's child, spouse or parent or for the Covered Person's own serious health condition as those terms are defined by the Federal Family and Medical Leave Act of 1993 (FMLA) and any amendments, or by applicable state law.

"Family Status Change" means any one of the following events that may occur:

1. the Employee's marriage or divorce;
2. the Employee's filing or rescinding of a Domestic Partner certification;
3. the birth of a child to the Employee;
4. the adoption of a child by the Employee;
5. the death of the Employee's spouse or Domestic Partner or child;
6. the commencement or termination of employment of the Employee's spouse or Domestic Partner;
7. the change from part-time employment to full-time employment by the Employee or the Employee's spouse or Domestic Partner;
8. the change from full-time employment to part-time employment by the Employee or the Employee's spouse or Domestic Partner;
9. the taking of unpaid leave of absence by the Employee or the Employee's spouse or Domestic Partner.

"Gross Monthly Benefit" means the Covered Person's Monthly Benefit before any reduction for Other Income Benefits and Other Income Earnings.

"Hospital" or **"Institution"** means a facility licensed to provide Treatment for the condition causing the Covered Person's Disability.

SECTION 2 - DEFINITIONS

(Continued)

"Initial Enrollment Period" means one of the following periods during which an Employee may first enroll for coverage under this policy:

1. for an Employee who is eligible for insurance on the policy effective date, a period before the policy effective date set by the Sponsor and Liberty.
2. for an Employee who becomes eligible for insurance after the policy effective date, the period which ends 30 days after his Eligibility Date.

"Injury" means bodily impairment resulting directly from an accident and independently of all other causes. For the purpose of determining benefits under this policy:

1. any Disability which begins more than 60 days after an Injury will be considered a Sickness; and
2. any Injury which occurs before the Covered Person is covered under this policy, but which accounts for a medical condition that arises while the Covered Person is covered under this policy will be treated as a Sickness.

"Last Monthly Benefit" means the gross Monthly Benefit payable to the Covered Person prior to his death without any reduction for earnings received from employment.

"Substantial and Material Acts" means acts that are normally required for the performance of the Covered Person's Own Occupation and cannot be reasonably omitted or modified.

SECTION 2 - DEFINITIONS

(Continued)

"Mental Illness" means a psychiatric or psychological condition classified as such in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) regardless of the underlying cause of the Mental Illness. If the DSM is discontinued, Liberty will use the replacement chosen or published by the American Psychiatric Association.

"Monthly Benefit" means the monthly amount payable by Liberty to the Disabled or Partially Disabled Covered Person.

"Own Occupation" means the Covered Person's occupation that he was performing when his Disability or Partial Disability began.

SECTION 2 - DEFINITIONS

(Continued)

"Partial Disability" or "Partially Disabled" means the Covered Person is not Totally Disabled and that while actually working in his Own Occupation, as a result of Injury or Sickness the Covered Person is unable to earn 80% or more of his Basic Monthly Earnings.

"Physician" means a person who:

1. is licensed to practice medicine and is practicing within the terms of his license; or
2. is a licensed practitioner of the healing arts in a category specifically favored under the health insurance laws of the State where the policy is delivered, and is practicing within the terms of his license.

It does not include a Covered Person, any family member or domestic partner.

SECTION 2 - DEFINITIONS

(Continued)

"Proof" means written proof covering the occurrence, the character and the extent of the loss for which the claim is made.

"Retirement Benefit under a Retirement Plan" means money which:

1. is payable under a Retirement Plan either in a lump sum or in the form of periodic payments and derives from the same loss as benefits under this policy;
2. does not represent contributions made by an Employee (payments which represent Employee contributions are deemed to be received over the Employee's expected remaining life regardless of when such payments are actually received); and
3. is payable upon Disability, if the payment derives from the same loss as benefits under this policy and does reduce the amount of money which would have been paid under the plan at the normal retirement age.

SECTION 2 - DEFINITIONS

(Continued)

"Retirement Plan" means a plan of the Sponsor which provides retirement benefits to Employees and which is not funded wholly by Employee contributions. The term shall not include a profit-sharing plan, informal salary continuation plan, registered retirement savings plan, stock ownership plan, 401(K) or a non-qualified plan of deferred compensation.

"Schedule of Benefits" means the section of this policy which shows, among other things, the Eligibility Requirements, Eligibility Waiting Period, Elimination Period, Amount of Insurance, Minimum Benefit, and Maximum Benefit Period.

"Sickness" means illness, disease, pregnancy or complications of pregnancy.

"Sponsor" means the entity to whom this policy is issued.

"Substance Abuse" means alcohol and/or drug abuse, addiction or dependency.

"Treatment" means receiving care or services provided by or under the direction of a Physician including diagnostic measures resulting in a positive diagnosis, being prescribed drugs and/or medicines, whether the Covered Person chooses to take them or not, and taking drugs and/or medicines.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

Eligibility Requirements for Insurance Benefits

The eligibility requirements for insurance benefits are shown in the Schedule of Benefits.

Eligibility Date for Insurance Benefits

An Employee in an eligible class will qualify for insurance on the later of:

1. this policy's effective date; or
2. the day after the Employee completes the Eligibility Waiting Period shown in the Schedule of Benefits.

Initial Enrollment Period

During the Initial Enrollment Period an Employee can enroll in any one coverage or coverage option shown in the Schedule of Benefits. If he does not choose any coverage or coverage option, enrollment will default to the Core Plan. If an Employee's Initial Enrollment Period takes place during or after the Annual Enrollment Period, but before the policy anniversary his coverage option will apply for (a) the rest of the policy year in which he first becomes eligible; and (b) the next policy year.

Applicable to Long Term Disability Class 1A, 1B, 2A, 2B:

Annual Enrollment Period

During each Annual Enrollment Period, a Covered Person may keep his coverage at the same level or make one of the following changes in coverage for the next policy year:

1. a decrease in coverage;
2. an increase in coverage without Evidence of Insurability.

Applicable to Long Term Disability Class 3A, 3B, 4A, 4B:

Annual Enrollment Period

During each Annual Enrollment Period, a Covered Person may keep his coverage at the same level or make one of the following changes in coverage for the next policy year:

1. a decrease in coverage;
2. an increase in coverage without Evidence of Insurability subject to the Pre-Existing Condition Exclusion defined herein.

If a Covered Person fails to enroll for a change in his coverage option during any Annual Enrollment Period he will continue to be insured for the same coverage option during the next policy year and no change in that coverage can be made during the next policy year, unless the Covered Person experiences a Family Status Change.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

(Continued)

Applicable To Long Term Disability Class 1A, 1B, 2A, 2B:

Family Status Change

When an Employee experiences a Family Status Change, he may keep his coverage at the same level or make one of the following changes in coverage:

1. a decrease in coverage;
2. an increase in coverage without Evidence of Insurability.

Applicable To Long Term Disability Class 3A, 3B, 4A, 4B:

Family Status Change

When an Employee experiences a Family Status Change, he may keep his coverage at the same level or make one of the following changes in coverage:

1. a decrease in coverage;
2. an increase in coverage without Evidence of Insurability subject to the Pre-Existing Condition Exclusion defined herein.

The Covered Person must apply for the change in coverage within 30 Days of the date of the Family Status Change. Such changes in coverage must be due to or consistent with the reason that the change in coverage was permitted. A change in coverage is consistent with a Family Status Change only if it is necessary or appropriate as the result of the Family Status Change.

Effective Date of Insurance

Insurance will be effective at 12:01 A.M. Standard Time in the governing jurisdiction on the day determined as follows, but only if the Employee's application or enrollment for insurance is made with Liberty through the Sponsor in a form or format satisfactory to Liberty.

1. For Coverage Applied for During Initial Enrollment Periods:
 - a. an Employee will be insured for non-contributory coverage on his Eligibility Date.
 - b. an Employee will be insured for contributory coverage on the date the Employee makes application for insurance if he enrolls on or before the 30th day after his Eligibility Date; or
 - c. an Employee who does not enroll for contributory coverage on or before the 30th day after his Eligibility Date, or terminated his insurance while continuing to be eligible may not enroll for contributory coverage until the next Annual Enrollment Period or following a Family Status Change.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

(Continued)

Effective Date of Insurance (Continued)

2. For Contributory Coverage Applied for During Annual Enrollment Periods

An Employee will be insured for the selected contributory coverage on the first day of the next policy anniversary.

3. For Coverage Applied for Due to a Family Status Change

An Employee will be insured for the selected coverage on the later of the following dates, provided he applies or enrolls for the change in coverage before the end of the 30th Day following the Family Status Change:

- a. the date of the Family Status Change;
- b. the date the Employee applies or enrolls for the change in coverage.

Delayed Effective Date for Insurance

The effective date of any initial, increased or additional insurance will be delayed for an individual if he is not in Active Employment because of Injury or Sickness. The initial, increased or additional insurance will begin on the date the individual returns to Active Employment.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

(Continued)

Family and Medical Leave

An Employee's coverage may be continued under this policy for an approved family or medical leave of absence for up to 12 weeks following the date coverage would have terminated, subject to the following:

1. the authorized leave is in writing;
2. the required premium is paid;
3. the Covered Person's benefit level, or the amount of earnings upon which the Covered Person's benefit may be based, will be that in effect on the date before said leave begins; and
4. continuation of coverage will cease immediately if any one of the following events should occur:
 - a. the Covered Person returns to work;
 - b. this group insurance policy terminates;
 - c. the Covered Person is no longer in an eligible class;
 - d. nonpayment of premium when due by the Sponsor or the Covered Person;
 - e. the Covered Person's employment terminates.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

(Continued)

Leave of Absence

The Sponsor may continue the Covered Person's coverage(s) by paying the required premiums, if the Covered Person is given a leave of absence

The Covered Person's coverage will not continue beyond twenty-four months. In continuing such coverage under this provision, the Sponsor agrees to treat all Covered Persons equally.

Lay-off

The Sponsor may continue the Covered Person's coverage(s) by paying the required premiums, if the Covered Person is temporarily laid off

The Covered Person's coverage will not continue beyond thirty days. In continuing such coverage under this provision, the Sponsor agrees to treat all Covered Persons equally.

SECTION 3 - ELIGIBILITY AND EFFECTIVE DATES

(Continued)

Transfer Provision

In order to prevent loss of coverage for an individual because of transfer of insurance carriers, this policy will provide coverage for certain individuals as follows:

Failure to be In Active Employment Due to Injury or Sickness:

Subject to premium payments, this policy will cover individuals who:

1. at the time of transfer are covered under the prior carrier's policy; and
2. are not in Active Employment due to Injury or Sickness on the effective date of this policy.

Benefits will be determined based on the lesser of:

1. the amount of the Disability benefit that would have been payable under the prior policy and subject to any applicable policy limitations; or
2. the amount of Disability benefits payable under this policy. If benefits are payable under the prior policy for the Disability, no benefits are payable under this policy.

Disability Due to a Pre-Existing Condition

Applicable to Long Term Disability Class 3B, 4B:

If an individual was insured under the prior carrier's policy at the time of transfer and was in Active Employment and insured under this policy on its effective date, benefits may be payable for a Disability due to a Pre-Existing Condition.

If the individual can satisfy this policy's Pre-Existing Condition Exclusion, the benefit will be determined according to this policy.

If the individual cannot satisfy this policy's Pre-Existing Condition Exclusion, then:

1. Liberty will apply the Pre-Existing Condition Exclusion of the prior carrier's policy and;
2. if the individual would have satisfied the prior carrier's pre-existing condition exclusion, giving consideration towards continuous time coverage under this policy; and the prior carrier's policy, the benefit will be determined according to this policy. However, the Maximum Monthly Benefit amount payable under this policy shall not exceed the maximum monthly benefit payable under the prior carrier's policy.

No benefit will be paid if the individual cannot satisfy the Pre-Existing Condition Exclusions of either policy.

SECTION 4 - DISABILITY INCOME BENEFITS

LONG TERM DISABILITY COVERAGE

Disability Benefit

When Liberty receives Proof that a Covered Person is Disabled due to Injury or Sickness, Liberty will pay the Covered Person a Monthly Benefit after the end of the Elimination Period, subject to any other provisions of this policy. The Proof must be at the Covered Person's expense.

For purposes of determining Disability, the Injury or Sickness must occur and Disability must begin while the Employee is insured for this coverage.

The Monthly Benefit will not:

1. exceed the Covered Person's Amount of Insurance; or
2. be paid for longer than the Maximum Benefit Period.

The Amount of Insurance and the Maximum Benefit Period are shown in the Schedule of Benefits.

Amount of Disability Monthly Benefit

To figure the amount of Monthly Benefit:

1. Take the lesser of:
 - a. the Covered Person's Basic Monthly Earnings multiplied by the benefit percentage shown in the Schedule of Benefits; or
 - b. the Maximum Monthly Benefit shown in the Schedule of Benefits; and then
2. Deduct Other Income Benefits and Other Income Earnings, (shown in the Other Income Benefits and Other Income Earnings provision of this policy), from this amount.

The Monthly Benefit payable will not be less than the Minimum Monthly Benefit shown in the Schedule of Benefits

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Partial Disability

When Liberty receives Proof that a Covered Person is Partially Disabled and has experienced a loss of earnings due to Injury or Sickness, he will receive a Monthly Benefit, subject to any other provisions of this policy. The Proof must be given at the Covered Person's expense. To be eligible to receive Partial Disability benefits, the Covered Person may be employed in his Own Occupation or another occupation, must satisfy the Elimination Period and must be earning less than 80% of his Basic Monthly Earnings.

For purposes of determining Partial Disability, the Injury or Sickness must occur and Partial Disability must begin while the Employee is insured for this coverage.

Loss of Earnings Monthly Calculation with Work Incentive Benefit

For the first 24 Months, the work incentive benefit will be an amount equal to the Covered Person's Basic Monthly Earnings multiplied by the benefit percentage shown in the Schedule of Benefits, under the heading titled, "Amounts of Insurance", without any reductions from earnings. The work incentive benefit will only be reduced, if the Monthly Benefit payable plus any earnings exceed 100% of the Covered Person's Basic Monthly Earnings. If the combined total is more, the Monthly Benefit will be reduced by the excess amount so that the Monthly Benefit plus the Covered Person's earnings does not exceed 100% of his Basic Monthly Earnings.

Thereafter, the Monthly Benefit will be calculated as follows:

1. The Covered Person's Basic Monthly Earnings minus the Covered Person's earnings received while he is Partially Disabled. This figure represents the amount of lost earnings.
2. Multiply the amount of lost earnings by 75%; and then
3. deduct Other Income Benefits (shown in the Other Income Benefits and Other Income Earnings provision of this policy) from this amount.

The Monthly Benefit payable will not be less than the Minimum Monthly Benefit shown in the Schedule of Benefits.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Mental Illness and/or Substance Abuse

The benefit for Disability due to Mental Illness and/or Substance Abuse will not exceed a period of 24 months of Monthly Benefit payments while the Covered Person is insured under this policy.

If the Covered Person is in a Hospital or Institution for Mental Illness and/or Substance Abuse at the end of the period of 24 months, the Monthly Benefit will be paid during the confinement.

If the Covered Person is not confined in a Hospital or Institution for Mental Illness and/or Substance Abuse, but is fully participating in an Extended Treatment Plan for the condition that caused Disability, the Monthly Benefit will be payable to a Covered Person for up to a period of 36 months.

In no event will the Monthly Benefit be payable beyond the Maximum Benefit Period shown in the Schedule of Benefits.

**Long Term Disability
Mental Illness/Substance Abuse
Limitation
LTD-7.8**

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Six Month Survivor Benefit

Liberty will pay a lump sum benefit to the Eligible Survivor when Proof is received that a Covered Person died:

1. after Disability had continued for 182 or more consecutive days; and
2. while receiving a Monthly Benefit.

The lump sum benefit will be an amount equal to six times the Covered Person's Last Monthly Benefit.

If the survivor benefit is payable to the Covered Person's children, payment will be made in equal shares to the children, including step children and legally adopted children. However, if any of said children are minors or incapacitated, payment will be made on their behalf to the court appointed guardian of the children's property. This payment will be valid and effective against all claims by others representing or claiming to represent the children.

If there is no Eligible Survivor, the benefit is payable to the estate.

If an overpayment is due to Liberty at the time of a Covered Person's death, the benefit payable under this provision will be applied toward satisfying the overpayment.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Other Income Benefits and Other Income Earnings

Other Income Benefits means:

1. The amount that the Covered Person receives which is paid to the Covered Person in compensation for the same Disability and loss of income covered under this policy under:
 - a. any benefit paid under temporary disability benefit under Workers Compensation;
 - b. Occupational Disease Law;
 - c. Title 46, United States Code Section 688 (The Jones Act);
 - d. any governmental compulsory benefit act or law; or
 - e. any other act or law of like intent.
2. The amount of Disability Retirement Benefits the Covered Person receives which is paid to the Covered Person in compensation for the same Disability and loss of income covered under this policy.
3. The amount of Disability Benefits under the United States Social Security Act, the Canada Pension Plan, the Quebec Pension Plan, or any similar plan or act, which:
 - a. the Covered Person receives which is paid to the Covered Person in compensation for the same Disability and loss of income covered under this policy; or
 - b. his dependent spouse, dependent child or dependent children receives because of such Disability.
4. Any amount the Covered Person receives from or on behalf of a third party for loss of time benefits as a result of injury caused or contributed to by the third party, not including attorney's fees paid by the claimant.

Other Income Earnings means:

1. any amount the Covered Person receives from any formal or informal sick leave or salary continuation plan(s).
2. the amount of earnings the Covered Person earns or receives from any form of employment for which the Covered Person becomes employed after the Covered Person's Disability or Partial Disability began.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Social Security Assistance

Liberty may offer help to a Covered Person in applying for Social Security Disability Income Benefits. In order to be eligible for assistance the Covered Person must be receiving a Monthly Benefit from Liberty. Such assistance will be offered only if Liberty determines that assistance would be beneficial.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Lump Sum Payments

Other Income Benefits from a compromise, settlement, award or judgement which are paid to the Covered Person in a lump sum and are meant to compensate the Covered Person for loss of past or future wages will be prorated on a monthly basis as follows:

1. over the period of time such benefits would have been paid if not in a lump sum; or
2. if such period of time cannot be determined, the lesser of:
 - a. the remainder of the Maximum Benefit Period; or
 - b. 5 years.

Cost of Living Freeze

After the first deduction for each of the Other Income Benefits, the Monthly Benefit will not be further reduced due to any cost of living increases payable under the Other Income Benefits and Other Income Earnings provision of this policy. This provision does not apply to increases received from any form of employment.

Prorated Benefits

For any period for which a Long Term Disability benefit is payable that does not extend through a full month, the benefit will be paid on a prorated basis. The rate will be 1/30th for each day for such period of Disability.

SECTION 4 - DISABILITY INCOME BENEFITS
(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Discontinuation of the Long Term Disability Benefit

The Monthly Benefit will cease on the earliest of:

1. the date the Covered Person unreasonably refuses to be examined or evaluated at reasonable intervals;
2. the date the Covered Person's current Partial Disability earnings exceed 80% of his Basic Monthly Earnings;

Because the Covered Person's current earnings may fluctuate, Liberty will average earnings over three consecutive months rather than immediately terminating his benefit once 80% of Basic Monthly Earnings has been exceeded.

3. the date the Covered Person is no longer Disabled according to this policy;
4. the end of the Maximum Benefit Period; or
5. the date the Covered Person dies.

SECTION 4 - DISABILITY INCOME BENEFITS

(Continued)

LONG TERM DISABILITY COVERAGE (Continued)

Successive Periods of Disability

With respect to this policy, "**Successive Periods of Disability**" means a Disability which is related or due to the same cause(s) as a prior Disability for which a Monthly Benefit was payable.

A Successive Period of Disability will be treated as part of the prior Disability if, after receiving Disability benefits under this policy, a Covered Person:

1. returns to his Own Occupation on an Active Employment basis for less than six continuous months; and
2. performs all the Substantial and Material Acts of his Own Occupation.

To qualify for a Successive Periods of Disability benefit, the Covered Person must experience more than a 20% loss of Basic Monthly Earnings.

Benefit payments will be subject to the terms of this policy for the prior Disability.

If a Covered Person returns to his Own Occupation on an Active Employment basis for six continuous months or more, the Successive Period of Disability will be treated as a new period of Disability. The Covered Person must complete another Elimination Period.

If a Covered Person becomes eligible for coverage under any other group long term disability coverage, this Successive Period of Disability provision will cease to apply to that Covered Person.

SECTION 5 - EXCLUSIONS

GENERAL EXCLUSIONS

This policy will not cover any Disability due to:

1. war, declared or undeclared, or any act of war;
2. intentionally self-inflicted injuries, while sane or insane;
3. active Participation in a Riot;
4. the committing of or attempting to commit a felony;
5. cosmetic surgery unless such surgery is in connection with an Injury or Sickness sustained while the individual is a Covered Person.

No benefit will be paid during any period of incarceration after the conviction of a crime.

With respect to this provision, **Participation** shall include promoting, inciting, conspiring to promote or incite, aiding, abetting, and all forms of taking part in, but shall not include actions taken in defense of public or private property, or actions taken in defense of the Covered Person, if such actions of defense are not taken against persons seeking to maintain or restore law and order including, but not limited to police officers and fire fighters.

With respect to this provision, **Riot** shall include all forms of public violence, disorder or disturbance of the public peace, by three or more persons assembled together, whether or not acting with a common intent and whether or not damage to persons or property or unlawful act or acts is the intent or the consequence of such disorder.

SECTION 5 - EXCLUSIONS

(Continued)

LONG TERM DISABILITY COVERAGE

Applicable to Class 3B, 4B:

Pre-Existing Condition Exclusion

This policy will not cover any Disability or Partial Disability:

1. which is caused or substantially contributed to by a Pre-Existing Condition or medical or surgical treatment of a Pre-Existing Condition; and
2. which begins in the first 12 months immediately after the Covered Person's effective date of coverage, unless he received no Treatment of the condition or exhibited no symptoms for which a prudent person would usually seek medical advice or Treatment for any six consecutive months after his effective date of coverage.

"Pre-Existing Condition" means a physical or mental condition, whether diagnosed or undiagnosed, resulting from an Injury or Sickness for which the Covered Person received Physician's advice or Treatment within three months prior to the Covered Person's effective date of coverage.

SECTION 6 - TERMINATION PROVISIONS

Termination of a Covered Person's Insurance

A Covered Person will cease to be insured on the earliest of the following dates:

1. the date this policy terminates, but without prejudice to any claim originating prior to the time of termination;
2. the date the Covered Person is no longer in an eligible class;
3. the date the Covered Person's class is no longer included for insurance;
4. the last day for which any required Employee contribution has been made;
5. the date employment terminates. Cessation of Active Employment will be deemed termination of employment, except the insurance will be continued for an Employee absent due to Disability during:
 - a. the Elimination Period; and
 - b. any period during which premium is being waived.
6. the date the Covered Person ceases active work due to a labor dispute, including any strike, work slowdown, or lockout.

Liberty reserves the right to review and terminate all classes insured under this policy if any class(es) cease(s) to be covered.

SECTION 6 - TERMINATION PROVISIONS

(Continued)

Policy Termination

1. Termination of this policy under any conditions will not prejudice any claim which occurs while this policy is in force.
2. If the Sponsor fails to pay any premium within the grace period, this policy will terminate at 12:00 midnight Standard Time on the last day of the grace period. The Sponsor may terminate this policy by advance written notice delivered to Liberty at least 60 days prior to the termination date. This policy will not terminate during any period for which premium has been paid. The Sponsor will be liable to Liberty for all premiums due and unpaid for the full period for which this policy is in force.
3. Liberty may terminate this policy on any premium due date by giving written notice to the Sponsor at least 60 days in advance if:
 - a. the number of Employees insured is fewer than 10; or
 - b. less than 100.00% of all the Employees eligible for any non-contributory insurance are insured for it; or
 - c. less than 25.00% of all the Employees eligible for any contributory insurance are insured for it; or
 - d. the Sponsor fails:
 - i. to furnish promptly any information which Liberty may reasonably require; or
 - ii. to perform any other obligations pertaining to this policy.
4. Liberty may terminate this policy or any coverage(s) afforded hereunder and for any class of covered Employees on any premium due date after it has been in force for 12 months. Liberty will provide written notice of such termination to the Sponsor at least 60 days before the termination is effective.
5. Termination may take effect on an earlier date if agreed to by the Sponsor and Liberty.

Termination of Coverage Option(s)

Participation Requirements

Liberty may terminate coverage or any coverage option afforded hereunder on any premium due date by giving written notice to the Sponsor at least 60 days in advance:

1. if the overall participation for all coverage options falls below 25.00% of the Employees eligible for benefits under this policy; and
2. if less than 25.00% of the Employees eligible for each coverage option are insured for it.

Termination may take effect on an earlier date if agreed to by the Sponsor and Liberty.

SECTION 7 - GENERAL PROVISIONS

Entire Contract; Changes

This policy, the application of the employer, and the individual applications, if any, of the employees constitute the entire contract between the parties, and any statement made by the employer or by any employee shall, in the absence of fraud, be deemed a representation and not a warranty. No such statement shall (avoid the insurance or reduce the benefits under this policy or) be used in defense to a claim hereunder unless it is contained in a written application, nor shall any such statement of the employer, except a fraudulent misstatement, be used at all to void this policy after it has been in force for two years from the date of its issue, nor shall any such statement of any employee eligible for coverage under the policy, except a fraudulent misstatement, be used at all in defense to a claim for loss incurred or Disability or Partial Disability (as defined in the policy) commencing after the insurance coverage with respect to which claim is made has been in effect for two years from the date it became effective.

No change in this policy shall be valid unless approved by an executive officer of the insurer and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions.

Time Limit on Certain Defenses

(a) After two years from the date of issue of this policy, no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or Disability (as defined in the policy) commencing after the expiration of such two-year period. (b) No claim for loss incurred or Disability (as defined in the policy) commencing after two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Grace Period

A grace period of 45 days will be granted for the payment of premiums accruing after the first premium, during which grace period the policy shall continue in force, but the employer shall be liable to the insurer for the payment of the premium accruing for the period the policy continues in force.

Notice of Claim

Written notice of claim must be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. Subject to the qualifications set forth below, if the insured Covered Person suffers loss of time on account of Disability for which indemnity may be payable for at least two years, the Covered Person shall at least once in every six months after having given notice of claim, give to the insurer notice of continuance of said Disability, except in the event of legal incapacity. The period of six months following any filing of proof by the insured or any payment by the insurer on account of such claim or any denial of liability in whole or in part by the insurer shall be excluded in applying this provision. Delay in giving of such notice shall not impair the insured Covered Person's right to any indemnity which would otherwise have accrued during the period of six months preceding the date on which such notice is actually given.

SECTION 7 - GENERAL PROVISIONS

(Continued)

Claims Forms

The insurer, upon receipt of a written notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

Proofs of Loss

Written proof of loss must be furnished to the insurer, in the case of claim for loss for Long Term Disability benefits, within 90 days after the termination of the period for which the insurer is liable, and in case of claim for any other loss, within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the employee, later than one year from the time proof is otherwise required.

Time of Payment of Claim

Indemnities payable under this policy for any loss other than Long Term Disability benefits will be paid as they accrue immediately upon receipt of due written proof of such loss. Subject to due written proof of such loss, all accrued indemnity for Long Term Disability benefits will be paid Monthly to the insured employee and any balance remaining unpaid upon the termination of the period of liability will be paid immediately upon receipt of due written proof.

Payment of Claims

If any indemnity of this policy shall be payable to the estate of the insured employee or employee who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of the insured employee who is deemed by the insurer to be equitable entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment.

Physical Examination and autopsy

The insurer at its own expense shall have the right and opportunity to examine the person of any individual whose injury or sickness is the basis of claim when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.

Legal Actions

No action at law or in equity shall be brought to recover on this policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

SECTION 7 - GENERAL PROVISIONS

(Continued)

Misstatement of Age

If the age of any individual covered under this policy has been misstated, the amount payable shall be such as the premium paid for the coverage of such individual would have purchased at the correct age.

Conformity with state statutes

Any provision of this policy which, on its effective date, is in conflict with the statutes of the state in which the insured resides on such date is hereby amended to conform to the minimum requirements of such statutes.

SECTION 8 - PREMIUMS

Premium Rates

Liberty has set the premiums that apply to the coverage(s) provided under this policy. Those premiums are shown in a notice given to the Sponsor with or prior to delivery of this policy.

A change in the initial premium rate(s) will not take effect within the first 36 months except that Liberty may change premium rates at any time for reasons which affect the risk assumed, including those reasons shown below:

1. a change occurs in the policy design;
2. a division, subsidiary or Associated Company is added to or deleted from this policy;
3. when the number of Covered Persons changes by 15.00% or more from the number insured on this policy's effective date; or
4. a change in existing law which affects this policy.

No premium may be changed unless Liberty notifies the Sponsor at least 120 days in advance. Premium changes may take effect on an earlier date when both Liberty and the Sponsor agree.

Payment of Premiums

1. All premiums due under this policy, including adjustments, if any, are payable by the Sponsor on or before their due dates at Liberty's Administrative Office, or to Liberty's agent. The due dates are specified on the first page of this policy.
2. All payments made to or by Liberty shall be in United States dollars.
3. If premiums are payable on a monthly basis, premiums for additional or increased insurance becoming effective during a policy month will be charged from the next premium due date.
4. The premium charge for insurance terminated during a policy month will cease at the end of the policy month in which such insurance terminates. This manner of charging premium is for accounting purposes only. It will not extend insurance coverage beyond a date it would have otherwise terminated as shown in the "Termination of a Covered Person's Insurance" provision of this policy.
5. If premiums are payable on other than a monthly basis, premiums for additional, increased, reduced or terminated insurance will cause a prorated adjustment on the next premium due date.
6. Except for fraud and premium adjustments, refunds of premiums or charges will be made only for:
 1. the current policy year; and
 2. the immediately preceding policy year.

SECTION 8 - PREMIUMS

(Continued)

Waiver of Premium

With respect to Long Term Disability benefits, premium payments for a Covered Person are waived during any period for which benefits are payable. If coverage is to be continued, premium payments must be resumed following a period during which they were waived.

AMENDMENT NO. 1

It is agreed the following changes are hereby made to this policy: GD3-810-B72V5F-01

Changes	Additions	Deletions
Revised Leave of Absence provision from 12 months to 24 months	Form ADOP-ELG-8 R (1)	Form ADOP-ELG-8

The effective date of this change is January 1, 2018.

The changes will only apply to Disabilities or Partial Disabilities which start on or after the effective date of this change.

This policy's terms and provisions will apply other than as stated in this amendment.

Dated this 15th day of February, 2018.

Issued to and Accepted by:

Apple Inc.
Sponsor

By _____
Signature and Title of Officer

Liberty Life Assurance Company of Boston

Nancy Gorelwin

AMENDMENT NO. 2

It is agreed the following changes are hereby made to this policy: GD3-810-B72V5F-01

Changes	Additions	Deletions
Legal Name Change	FORM ADOP . 4 - R (1)	FORM ADOP . 4

The effective date of this change is January 1, 2018.

The changes will only apply to Disabilities or Partial Disabilities which start on or after the effective date of this change.

This policy's terms and provisions will apply other than as stated in this amendment.

Dated this 23rd day of February, 2018.

Issued to and Accepted by:

Apple Inc.
Sponsor

By _____
Signature and Title of Officer

Liberty Life Assurance Company of Boston

Nancy Gorelwin

AMENDMENT NO. 3

It is agreed the following changes are hereby made to this policy: GD3-810-B72V5F-01

Changes	Additions	Deletions
Updated Billing Grace Period from 31 days to 45 days in Section 7	Form ADOP-GNP-1.4 R (1)	Form ADOP-GNP-1.4

The effective date of this change is January 1, 2018.

The changes will only apply to Disabilities or Partial Disabilities which start on or after the effective date of this change.

This policy's terms and provisions will apply other than as stated in this amendment.

Dated this 3rd day of July, 2018.

Issued to and Accepted by:

Apple Inc.
Sponsor

By _____
Signature and Title of Officer

Liberty Life Assurance Company of Boston

Nancy Gorelwin